DOCUMENT RESUME

ED 310 718 HE 022 885

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TITLE Merit Scholarships for Star Students; Keeping the Brightest at In-State Colleges. Regional Spotlight. Southern Regional Education Board.
INSTITUTION Southern Regional Education Board, Atlanta, Ga.
PUB DATE May 89
NOTE 5p.
AVAILABLE FROM Southern Regional Education Board, 592 Tenth Street, N.W., Atlanta, GA 30318-5790.
PUB TYPE Reports - Descriptive (141)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Access to Education; Achievement Rating; College Bound Students; *College Choice; Decision Making; Educational Finance; Financial Support; Higher Education; High School Graduates; *In State Students; *Merit Scholarships; Recognition (Achievement); Scholarship Funds; *Student Financial Aid
IDENTIFIERS United States (South)

ABSTRACT

The use of merit scholarships to keep bright students at in-state colleges is discussed. Today more than half of the Southern Regional Education Board (SREB) states have credited merit scholarships to encourage their top high school graduates to attend in-state colleges. While athletic scholarships often receive greater visibility, SREB states are providing more than 11,000 state-supported scholarships based on academic performance. These scholarships are in addition to the even larger number of merit awards funded by gifts to public colleges and universities and through programs designed to encourage students to pursue certain major areas of study. Standardized test scores and high school grades are most often used to determine who is eligible for merit scholarships. Details on such programs in Texas, Arkansas, Louisiana, Tennessee, Florida, Maryland, Virginia, and Georgia are presented. It appears that states are successfully encouraging many of their top high school graduates to attend college in their home state. However, the direct influence these scholarship programs have on students when they are making a college choice is not clear. States may need to change programs to allow, at a minimum, preliminary award notices to be sent out to applicants no later than the beginning of their senior year of high school since in most cases, awards are made in the late spring or summer immediately preceding the graduates' freshman year in college, by which time most students have selected the college of choice. (SM)

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REGIONAL SPOTLIGHT

SOUTHERN REGIONAL EDUCATION BOARD

NEWS OF EDUCATION IN SREB STATES

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Merit Scholarships for Star Students: Keeping the Brightest at In-state Colleges

Ten years ago only two Southern Regional Education Board states provided state-funded merit scholarships to college students attending institutions in their home state. Today more than half of the SREB states have created merit scholarships to encourage their top high school graduates to attend in-state colleges. Two other SREB states, Alabama and Oklahoma, have programs aimed primarily at residents of the state, however, both contain provisions for awarding a limited number of scholarships to high caliber out-of-state high school graduates.

While athletic scholarships often receive greater visibility, SREB states are providing more than 11,000 state-supported scholarships based on academic performance. These scholarships are in addition to the even larger number of merit awards funded by gifts to public colleges and universities and through programs designed to encourage students to pursue certain major areas of study (teacher preparation, for example). The state-funded merit scholarships generally exceed $2,000. In most states, they are awarded for one year and can be renewed for up to three years if students maintain a

Merit Scholarship Programs for Top In-State Students
(Not Restricted to a Specific Major)

	Program Initiated	Total State Appropriation 1988-89	State/ Institutional Matching Requirements	Number of New Awards Annually	Maximum Number of Awards Annually	Maximum Annual Amount of Award	Initial Award Period	Maximum Award Renewal
ARKANSAS	1983	$ 800,000		100	400	$2,000	1 Year	3 Years
FLORIDA	1980	10,962,778		—All Who Qualify—		2,500	1 Year	3 Years
GEORGIA	1986	1,269,000		—All Who Qualify—		1,380	1 Year	3 Years
LOUISIANA	1978	724,000		—Depends on Available Funds—		300	1 Year	Until Degree Is Completed
MARYLAND	1980	2,880,000		300	1,200	2,400	1 Year	3 Years
SOUTH CAROLINA	1988	125,000	2,500/2,500	50	Eventually 200	5,000	1 Year	3 Years
TENNESSEE	1985	450,000*	2,000/2,000	*	*	4,000	1 Year	3 Years
TEXAS	1933	**		—One per High School—		Tuition Waived	1 Year	—
VIRGINIA	1983	540,000		45	180	3,000	1 Year	3 Years

* The Tennessee legislature added $450,000 to a $1.35 million endowment for the program; it is hoped that with the accrual of interest and with future appropriations, the program will eventually provide 100 new scholarships each year and renew 300 annually.

** In Texas, there is no actual appropriation of state funds; institutions provide tuition waivers.

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satisfactory collegiate grade point average. There are many similarities among the programs; the main one is their goal—to encourage top high school graduates to remain in their home state to attend college.

Standardized test scores and high school grades are most often used to determine who is eligible for merit scholarships. Arkansas, Louisiana, South Carolina, and Tennessee use these criteria primarily. Other states may use test scores or grade point averages in addition to completion of special high school recognition programs, or results from the National Merit Scholarship or National Achievement Scholarship programs.

Texas was the first SREB state to sponsor a merit scholarship program to encourage superior high school students to "stay at home" for college. Public colleges and universities were authorized in 1933 to grant a one-year tuition waiver to the top graduating senior from each accredited high school in the state. Approximately 1,400 public and private high school students are eligible annually; about 900 tuition waivers were awarded in 1987. The waivers are provided for the first year of study only. There is no provision for renewal.

The **Arkansas** Governor's Scholars program annually awards $2,000 scholarships to 400 high achieving students attending public or private higher education institutions in the state. There are 100 new awards each year and up to 300 renewals. To be initially eligible, a student must have a 3.6 high school grade point average or a composite score of 26 on the American College Test (ACT) or its equivalent. Once students are found to be eligible for an award, they are ranked according to criteria for selection consisting of "value points" for academic achievement and leadership. Scholarships are awarded to the student with the highest calculated value in each of the state's 75 counties and the top 25 students from a statewide pool of the remaining qualified applicants. Each selected student must accept the award by the specified date or the scholarship will go to an alternate. The initial award is made for one year and may be renewed annually for up to three additional years (in a four-year period), provided that the student maintains a 3.0 grade point average and completes 24 credit hours per academic year.

Arkansas Governor's Scholars Selection Criteria

Selection Criteria	Portion of Total Score
ACT or SAT Score	40 percent
Rank in Class	25 percent
Grade Point Average	25 percent
Leadership	
School	6 percent
Community	2 percent
Employment	2 percent

Louisiana's T.H. Harris Scholarship program provides $300 scholarships to high school graduates attending public universities. To be eligible, students must graduate from a Louisiana high school with a 3.0 grade point average. Recipients may continue to receive the annual award until the baccalaureate degree is completed, provided the scholar maintains a 3.0 grade point average and is a full-time student—there is no time limit on completing the degree. The number of awards annually is determined by available funds—about 2,400 students are receiving awards in 1988-89.

The newest awards in the region are the Palmetto Fellows Scholarships in **South Carolina.** Initiated in 1988 through legislation based on the Commission on Higher Education's report "The Cutting Edge," the program will phase in 50 scholarships per year until 200 are awarded annually. The $5,000 awards consist of $2,500 in state funds with an equal amount provided by the college or university. Initial eligibility is based on the student achieving a minimum score (determined annually) on the Pre-Scholastic Aptitude Test (PSAT), which is usually taken by the junior year in high school. A pool of 300 semi-finalists are selected by ranking the PSAT scores. In choosing the final award recipients, the Commission on Higher Education considers the initial PSAT ranking, class rank, extra curricular activities, leadership ability, and recommendations from the students' high school principals. The selected Palmetto Fellows are eligible to receive the scholarship for a total of four years within a five-year period, provided that a 3.0 grade point average is maintained, 24 semester hours are successfully completed annually, and the student demonstrates involvement in college activities.

Tennessee's Academic Scholars program is unique in the region in that its state appropriations are set up as an endowment, the interest of which funds the state's share of the awards. Started in 1985, the program is currently supporting 34 new and returning scholars. With the accrual of interest and with future appropriations, it is hoped that the program will grow to provide 100 new awards annually (a total of 400 each year with renewals). An additional 16 students may be added in 1989-90. The program awards $4,000 scholarships, $2,000 from state funds matched by $2,000 in institutional funds. Initial eligibility includes a high school grade point average of at

least 3.5 and an ACT or Scholastic Aptitude Test (SAT) score in the top five percent nationally. The nine students selected to receive first year awards in 1988-89 had an average 33.1 on the ACT (99th percentile) and a cumulative high school grade point average exceeding 3.9 on a 4.0 scale. Awards can be renewed for three additional years. To remain eligible, a student must attend college full time and earn a minimum 3.0 grade point average each term with an overall 3.2 for each year.

Three SREB states (Florida, Maryland, and Virginia) use results from the National Merit Scholarship or National Achievement Scholarship programs in determining eligibility.

Florida's Undergraduate Scholars' program is the largest state-funded merit scholarship program in the SREB region and one of the nation's largest. Students who are National Merit or National Achievement scholars or finalists can receive awards of up to $2,500 annually through the Undergraduate Scholars' Fund. High school students can also qualify for awards by having a 3.5 grade point average and a score of at least 1200 on the SAT or 28 on the ACT. Or they may complete, with a 3.5 grade point average, the Florida Academic Scholars program, a special recognition program that requires academic courses beyond normal high school graduation standards. All qualified students applying receive awards; the level of the scholarship may vary depending upon the funds available. Students can renew their awards for an additional three years by maintaining a 3.2 grade point average and completing 12 credit hours per semester. Due in part to the State University System's active recruiting of top scholars, the program has grown from 529 new awards in 1983 to 3,288 in 1989. More than 5,100 students received awards for 1988-89.

In **Maryland's** Distinguished Scholars program, National Merit and National Achievement finalists are qualified to receive $2,400 annual scholarships. The program, which awards 300 new scholarships each year (1,200 total), also recognizes students with high school grade point averages of 3.7 and students who have superior creative talents in art, music, dance, or theater as determined through an audition or portfolio review. At least 150 of the new awards annually must be granted to students based on the grade point average requirement. Of the remaining awards, 125 go to National Merit and National Achievement finalists and 25 are awarded through the creative talent criteria. The scholarships are renewable for three years—each student must be enrolled as a full-time undergraduate and maintain a 3.0 grade point average.

The **Virginia** Scholars program awards 50 new scholarships per year; at least 45 are presented to high school graduates and the balance go to graduates of two-year colleges entering four-year institutions. Minimum qualifications for high school students to initially enter the competition for the $3,000 awards include semi-finalist or finalist standing in the National Merit Scholarship or the National Achievement Scholarship programs, a ranking of first or second in the high school graduating class, or nomination by the high school principal based on class rank and the academic strength of the student's high school program. An "index" limits the nominations a principal can make each year. Two-year college students are nominated by the college president based on the strength of their academic program and grade point average. Students are selected to become finalists through an evaluation of high school transcripts and ACT or SAT scores (the college candidates are evaluated on transcripts only) and an evaluation of personal achievement, such as recommendation from the principal (or college president), honors received, work experience, and personal essays. Of the 150 finalists, 50 high school and two-year college graduates are selected to receive the scholarships; the remaining finalists receive certificates of recognition. The awards for high school graduates can be renewed annually for three years (two-year college graduates can renew for one year) by maintaining a 3.0 grade point average or by ranking in the top 25 percent of the class and by completing 12 credit hours per semester.

Georgia uses a special recognition program to qualify high school graduates for the Governor's Scholarship program. Awards of up to $1,380 for public or private college tuition are provided to students who are designated as Georgia Scholars. Students are recognized as Georgia Scholars by achieving a minimum score of 1300 on the SAT, completing 22 academic credits for high school graduation, having a 3.75 high school grade point average or ranking in the top 10 percent of the graduating class, maintaining 95 percent attendance from grades 9 through 12, participating in interscholastic activities, and assuming leadership responsibilities. In 1988-89, the fourth year of the program, 173 new scholarships were presented and 553 college students renewed their awards by completing 30 semester hours with a minimum 3.0 grade point average.

Are Merit Scholarships Working?

Few states have initiated a formal evaluation process for determining the effectiveness of their programs; however, some states have informal methods to assess the degree to which they are able to keep their top scholars. Arkansas reports that 85 to 90 percent of their annual

100 new awards are accepted by the top ranked students; the balance go to alternates. In Virginia, of the original 45 high school graduates offered scholarships in 1987-88, 17 accepted them; 35 names on the waiting list were used to identify substitutes to accept the remaining awards. (Virginia has the largest percentage of students attending out-of-state colleges of any SREB state.) In Texas, where only the top student in each high school is eligible and no alternates are permitted, 66 percent of the students accepted the tuition waivers in 1986-87. All Georgia Scholars who apply for awards receive them—about 67 percent apply for and accept the scholarships.

A 1985 report by the Tennessee Higher Education Commission showed that of students whose grades and test scores placed them among the top five percent of their graduating classes, one-third were leaving the state to attend college. These findings contributed to creation of the Tennessee Academic Scholars program. In the most recent survey of scholarship applicants, 20 of the top 24 students indicated that they were considering attending an out-of-state college. But of those selected to receive the scholarships, all nine are attending Tennessee institutions.

The Florida Department of Education is required by law to report to the legislature biennially on the effect of the award criteria, the number of students retained as a result of the program, and to make recommendations for program improvements. The latest report covering 1985-87 showed that the upper 25 percent of high school students met program requirements for scholarships and that in 1986-87, 25 percent of the National Merit scholars and finalists and 60 percent of the Florida Academic Scholars accepted awards. No figures were available on the total number of students who were qualified based on the combination of test scores and grade point average; however, 751 accepted awards under that criteria. The report noted that by the time the legislature adopts a budget in June, which has a bearing on the amount of each award, and all of the qualifying criteria are available, students have already selected the colleges they will attend. It is, therefore, difficult to assess the immediate effect that the program has on retaining high school graduates in the state. It was suggested that the level of award be guaranteed during the junior year of high school for all qualifying students.

It appears that states are meeting with success in encouraging many of their top high school graduates to attend college in their home state. However, the direct influence that these scholarship programs have on students when they are making a college choice is not clear. In most cases, awards are made in the late spring or summer immediately preceding the graduates' freshman year in college; by that time most students have selected the college they will be attending. States may need to change programs to allow, at a minimum, preliminary award notices to be sent out to applicants no later than the beginning of their senior year of high school.

This edition of *Regional Spotlight* was prepared by Gale F.Gaines, SREB Research Associate.

May, 1989

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REGIONAL SPOTLIGHT

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Published by the
SOUTHERN REGIONAL EDUCATION BOARD
592 Tenth Street, N.W.
Atlanta, Georgia 30318-5790

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